20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **CAIIB Risk Management is an elective paper offered under the CAIIB exam conducted by IIBF.**
   Candidates select it as their chosen elective alongside the compulsory CAIIB papers.

2. **Credit Risk is the risk that a borrower fails to repay a loan or meet obligations.**
   This is one of the core risk categories tested throughout the syllabus.

3. **Market Risk arises from movements in interest rates, exchange rates, equity or commodity prices.**
   Losses from these price movements fall under this risk category.

4. **Operational Risk arises from failed processes, people, systems, or external events.**
   This risk category covers losses unrelated to market or credit exposures.

5. **Liquidity Risk is the risk of not having enough cash to meet obligations on time.**
   It reflects a bank's ability to fund its immediate cash needs.

6 **Module A of CAIIB Risk Management covers risk definition, policies, ALM, and capital adequacy norms.**
This module builds the foundational concepts used across later modules.

7 **Module B, Credit Risk Management, covers Basel-I, the three pillars of Basel-II, and ICAAP.**
These frameworks structure how banks estimate and manage credit-risk capital.

8 **Module C, Operational Risk, covers RBI guidelines and Sound Principles of Operational Risk Management (SPOR).**
This module also covers capital allocation and capital charge computation for operational risk.

9 **Module D, Market Risk, covers liquidity, interest rate, forex, price and commodity risk, including Value at Risk (VaR).**
VaR is discussed under the internal measurement approach within this module.

10 **Module E covers Risk Organisation and Policy, including interlinkages to Treasury, Credit and ALCO.**
This module ties risk management policy to other key bank functions.

11 **The CAIIB Risk Management exam is conducted online for 120 minutes with 100 objective-type questions.**
This is the standard exam format for the elective paper.

12 **The CAIIB Risk Management paper carries 100 marks and is available in English or Hindi.**
Candidates can choose either language medium for the exam.

13 **There is typically no negative marking in the CAIIB Risk Management exam.**
This means candidates should attempt every question rather than skip any.

14 **CAIIB's passing rule combines a minimum per-paper mark with an aggregate score across papers in some cases.**
A candidate slightly below the per-paper mark may still pass via the aggregate rule.

15 **Value at Risk (VaR) is referenced under the internal measurement approach for market risk.**
VaR is a key quantitative tool used to measure potential market-risk losses.

16 **ICAAP refers to a bank's process for estimating capital requirements under credit risk management.**
It is covered within Module B alongside Basel-II's three pillars.

17 **The standardised duration method is one approach used to measure market risk.**
This method is listed under Module D's coverage of market risk measurement.

18 **Most working bankers need around 6 to 8 weeks of consistent study to prepare for CAIIB Risk Management.**
This is the typical preparation window suggested for a focused study plan.

19 **Practising numerical questions like capital charge and Value at Risk calculations is recommended for market and credit risk topics.**
Numerical fluency in these areas can meaningfully lift a candidate's score.

20 **Strategic and Reputational Risk arise from poor decisions or damage to a bank's image.**
These risks are listed among the main risk categories covered in the paper.